SENATE BILL NO. 16–COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF THE STATE CONTRACTORS' BOARD)

PREFILED OCTOBER 31, 2024

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to contractors. (BDR 54-254)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
Effect on the State: Yes.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to contractors; authorizing the State Contractors' Board to take certain actions against a person who submits certain bids without the proper license; revising the grounds for disciplinary action which the Board may impose against a licensed contractor to include interfering or attempting to interfere with an investigation or disciplinary proceeding of the Board or other legal action to which the Board is a party; making it unlawful for any person to interfere or attempt to interfere with an investigation or disciplinary proceeding of the Board or other legal action to which the Board is a party; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the licensure and regulation of contractors by the State Contractors' Board. (Chapter 624 of NRS) Existing law prohibits a person from submitting a bid on a job in this State without the proper contractor's license and establishes various penalties for a person who engages in such conduct, including, without limitation, the imposition of civil penalties, criminal penalties and administrative fines, the issuance of a cease and desist order, the issuance of a citation and, if the person is a licensee, the imposition of disciplinary action. (NRS 624.212, 624.3015, 624.302, 624.341, 624.700, 624.710, 624.740, 624.750) Additionally, existing law authorizes the Board to prohibit a person who has been convicted of certain violations relating to acting as a contractor or submitting a bid

on a job without the proper license from taking an examination for a license for a period of not more than 6 months after the date of the conviction. (NRS 624.245) **Section 1** of this bill authorizes the Board to take certain additional actions against a person who is not a licensed contractor and who submits a bid on certain jobs. Under **section 1**, if a person who is not a licensed contractor submits a bid on a job in this State, in violation of the provisions of existing law governing contractors, and the value of the work to be performed is $1,000 or more, the Board is authorized to refuse to issue the person a license for a period of not more than 1 year after the date on which the person submitted the bid.

Existing law sets forth certain acts and omissions that constitute grounds for disciplinary action which the Board may impose against a contractor. (NRS 624.301-624.305) **Section 2** of this bill makes interfering or attempting to interfere with an investigation or disciplinary proceeding of the Board or any other legal action to which the Board is a party, including, without limitation, by threatening, harassing or otherwise influencing a person because the person has provided or may provide evidence in the investigation, disciplinary proceeding or legal action, grounds for such disciplinary action. **Section 3** of this bill makes it unlawful for any person to engage in such conduct and subjects a person who engages in such conduct to graduated criminal penalties, depending on whether the offense is a first, second or third or subsequent offense.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 624 of NRS is hereby amended by adding thereto a new section to read as follows:

If a person who is not a licensee submits a bid on a job situated within this State, in violation of the provisions of this chapter, and the value of the work to be performed is $1,000 or more, including labor and materials, the Board may, for a period of not more than 1 year after the date on which the person submitted the bid, refuse to issue the person a license.

Sec. 2. NRS 624.3016 is hereby amended to read as follows:

624.3016 The following acts or omissions, among others, constitute cause for disciplinary action under NRS 624.300:

1. Any fraudulent or deceitful act committed in the capacity of a contractor, including, without limitation, misrepresentation or the omission of a material fact.

2. A conviction of a violation of NRS 624.730, or a conviction in this State or any other jurisdiction of a felony relating to the practice of a contractor or a crime involving moral turpitude.

3. Knowingly making a false statement in or relating to the recording of a notice of lien pursuant to the provisions of NRS 108.226.

4. Failure to give a notice required by NRS 108.227, 108.245, 108.246 or 624.520.

5. Failure to comply with:

(a) NRS 624.920, 624.930, 624.935 or 624.940 or any regulations of the Board governing contracts for work concerning residential pools and spas.

(b) NRS 624.860 to 624.875, inclusive, or any regulations of the Board governing contracts for work concerning residential photovoltaic systems used to produce electricity.

(c) NRS 624.970 or any regulations of the Board governing contracts for work concerning a residential improvement.

6. Failure to comply with NRS 624.600.

7. Misrepresentation or the omission of a material fact, or the commission of any other fraudulent or deceitful act, to obtain a license.

8. Failure to pay an assessment required pursuant to NRS 624.470.

9. Failure to file a certified payroll report that is required for a contract for a public work.

10. Knowingly submitting false information in an application for qualification or a certified payroll report that is required for a contract for a public work.

11. Failure to notify the Board of a conviction or entry of a plea of guilty, guilty but mentally ill or nolo contendere pursuant to NRS 624.266.

12. Failure to provide a builder's warranty as required by NRS 624.602 or to respond reasonably to a claim made under a builder's warranty.

13. The making, or the causing to be made, of a false or misleading statement or representation, or the omission of a material fact, by a licensee who is a natural person, an owner of a licensee, a managing officer of a licensee or any person who qualifies on behalf of a licensee pursuant to subsection 2 of NRS 624.260 in connection with the application of another person for a contractor's license for the purpose of assisting the applicant to obtain the license.

14. Interfering or attempting to interfere with an investigation or disciplinary proceeding of the Board or any other legal action to which the Board is a party, including, without limitation, by threatening, harassing or otherwise influencing a person because the person has provided or may provide evidence in the investigation, disciplinary proceeding or legal action. Nothing in this subsection shall be construed as prohibiting a person or a representative of the person from engaging in any lawful action:

(a) In the course of preparing or presenting a position, argument or defense in the investigation, disciplinary proceeding or other legal action described in this subsection.

(b) In accordance with the provisions of NRS 108.221 to 108.246, inclusive, or NRS 624.606 to 624.630, inclusive.

Sec. 3. NRS 624.750 is hereby amended to read as follows:

624.750 1. It is unlawful for a person to commit any act or omission described in subsection 1 of NRS 624.3012, subsection 2 of NRS 624.3013, NRS 624.3014 or subsection 1, 3 ***,*** ~~[or]~~ 7 ***or 14*** of NRS 624.3016.

2. Except as otherwise provided in subsection 3 and unless a greater penalty is otherwise provided by a specific statute, any person who violates subsection 1, NRS 624.305, subsection 1 of NRS 624.700 or NRS 624.720 or 624.740:

(a) For a first offense, is guilty of a misdemeanor and shall be punished by a fine of not less than $1,000 nor more than $4,000, and may be further punished by imprisonment in the county jail for not more than 6 months.

(b) For the second offense, is guilty of a gross misdemeanor and shall be punished by a fine of not less than $4,000 nor more than $10,000, and may be further punished by imprisonment in the county jail for not more than 364 days.

(c) For the third or subsequent offense, is guilty of a category E felony and shall be punished by a fine of not less than $10,000 nor more than $20,000, and may be further punished by imprisonment in the state prison for not less than 1 year and not more than 4 years.

3. If a person is guilty of a violation of subsection 1 of NRS 624.700, the maximum fines set forth in subsection 2 may be exceeded by adding thereto a fine enhancement of not more than 10 percent of the value of any contract that the person entered into in violation of subsection 1 of NRS 624.700, if that person commenced any work or received any money relating to the contract.

4. It is unlawful for a person to receive money for the purpose of obtaining or paying for services, labor, materials or equipment if the person:

(a) Willfully fails to use that money for that purpose by failing to complete the improvements for which the person received the money or by failing to pay for any services, labor, materials or equipment provided for that construction; and

(b) Wrongfully diverts that money to a use other than that for which it was received.

5. Unless a greater penalty is otherwise provided by a specific statute, any person who violates subsection 4:

(a) If the amount of money wrongfully diverted is $1,000 or less, is guilty of a gross misdemeanor and shall be punished by a fine of not less than $2,000 nor more than $4,000, and may be further punished by imprisonment in the county jail for not more than 364 days.

(b) If the amount of money wrongfully diverted is more than $1,000, is guilty of a category E felony and shall be punished by a fine of not less than $5,000 nor more than $10,000, and may be further punished by imprisonment in the state prison for not less than 1 year and not more than 4 years.

6. Imposition of a penalty provided for in this section is not precluded by any disciplinary action taken by the Board against a contractor pursuant to the provisions of NRS 624.300 to 624.305, inclusive.

Sec. 4. This act becomes effective upon passage and approval.

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